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**A BRIEF HISTORY OF THE MINISTRY OF
NORTHERN DEVELOPMENT**

Current Issue Paper # 185



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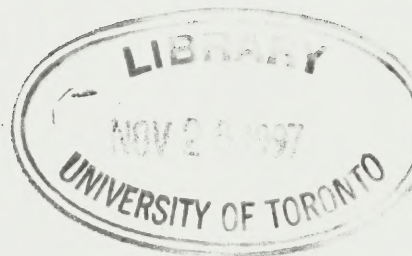
A BRIEF HISTORY OF THE MINISTRY OF NORTHERN DEVELOPMENT

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INTRODUCTION

Over the past century, the Government of Ontario has experimented with various administrative arrangements to provide services and programmes to the people and industries of northern Ontario. Northern administration is unique because it has to deal with a number of challenges, including the vast distances between communities and to the centre of government in Toronto, a harsh climate which can and does impede efficient transportation, and the cyclical vulnerability and harsh conditions of a resource-based economy.

Northern administration is also distinct from southern administration in terms of the political function it serves. Compared to southern Ontarians, northerners often feel removed from central decision-making processes by virtue of their distance from Toronto and their participation in industries which, for the most part, are controlled by southerners. To allay northern Ontarians' sense of alienation, provincial administrative machinery has often been used in an effort to include northern Ontarians in the process of governance. One consequence of doing so has been to temper the goal of administrative efficiency with the goal of social and political integration.

This Current Issue Paper provides an historical overview of the development of provincial government administration in northern Ontario. It starts with the creation of the Northern Development Branch of the Department of Lands, Mines and Resources in 1912, then describes the marriage of the Northern Affairs Branch with the Department of Mines in 1970, the establishment of the Ministry of Northern Affairs in 1977, and finally the present Ministry of Northern Development and Mines (MNDM). The paper concludes by charting the growth of the (MNDM) and highlighting some of the larger programmes undertaken over the past two decades.

NORTHERN DEVELOPMENT, 1912-1937

In the late nineteenth century, government administration in northern Ontario was almost entirely judicial in nature, with Justices of the Peace and police magistrates being located in most centres of what was then considered northern Ontario. This administrative structure changed little as Ontario expanded beyond its original Confederation boundaries in 1874, 1881, and 1889. Only in 1912 did provincial government administration change dramatically. In that year, the province acquired the Patricia District from the federal government, expanding provincial borders from a line roughly approximate to the Albany River at 53 degrees north all the way to the present Manitoba border at James Bay, approximately 100 kms. northwest of Fort Severn.

Along with a larger geographical area to administer, the 1912 expansion also meant increased responsibility for directing the course of development in the

north. As demand for natural resources such as minerals and timber increased in the years leading up to the First World War, the Government of Ontario took on this responsibility by passing the *Northern and Northwestern Ontario Development Act* in 1912. The Act allowed the provincial government to provide loans to prospective northern settlers and business entrepreneurs. The Act was initially administered by the Department of Lands, Mines and Resources, which had been created in 1905 out of the old Bureau of Mines and the Department of Crown Lands.

The pace of development, and the growing population, soon outstripped the Department of Lands, Mines and Resources' ability to administer government resources in the north. The government's response was to create a new Department of Mines in 1920, with a Northern Development Branch designed to administer both the *Northern and Northwestern Ontario Development Act* and other northern infrastructure and colonization programmes. In 1924, formal political attention was given to northern Ontario when a special Legislative Secretary (similar to today's Parliamentary Assistant) for Northern Ontario was created to "furnish information to the Legislature as to the requirements and resources of the [northern] districts and to assist the members of the Executive Council in the Assembly, and more particularly the Minister of Lands and Forests and the Minister of Mines."¹

In 1926, a separate Department of Northern Development was created in an effort to "integrate as much as possible all administrative activities associated with the place where they were conducted."² Reporting to the Legislative Secretary for Northern Ontario, the new Department was given authority over the construction of roads and the development of water power in addition to the original settlement and colonization responsibilities which had existed under the Branch.

By the mid-1930s, most of the Department of Northern Development's responsibilities had been reduced to northern road construction and upkeep. In 1937, in an effort to eliminate administrative duplication and overlap, the Department for Northern Development was merged into the Department of Highways. It would be over 30 years before an administrative branch of government would be dedicated specifically to northern Ontario again.

THE DEPARTMENT OF MINES AND NORTHERN AFFAIRS, 1970-1976

Following the Second World War, the economy of northern Ontario grew briskly, fueled by increased provincial - and world - demand for natural resources.³ As the economy grew, however, many northern Ontario residents began to question whether they were receiving their fair share of government services and whether they were having significant input into provincial government decision-making.⁴ As Geoffrey Weller summarized twenty years

ago, "the mere fact that most [northern Ontario] industry is extractive creates a feeling of alienation because the products of labour are always seen as going somewhere else."⁵

The Conservative government under John Robarts was not oblivious to northerners' growing sense of alienation. Over the course of 1969, Ontario Cabinet ministers, MPPs, and senior civil servants met with concerned northerners at regional meetings held in Timmins, Sudbury and Thunder Bay.⁶ The meetings uncovered three reasons behind northerners' sense of alienation:

conditions are different in the north and, as a result, government programmes designed for southern Ontario are not viable in the north;
there is a transportation problem in the north, both with respect to access and with respect to the cost factor; and
there is a communications gap between northerners and their government.⁷

To address these concerns, a special sub-committee of Cabinet recommended that a separate branch within the Department of Mines once again be established to address the needs of Northern Ontario. On April 23, 1969, Premier John Robarts announced the formation of the Northern Affairs Branch, whose purpose he described as making "all the services of Queen's Park more readily available in all communities of Northern Ontario, no matter how remote."⁸ In other words, the Branch would merely administer and coordinate existing services and programmes offered by the Government of Ontario: no new services or programmes were to be established.

These administrative changes were accompanied by a change in name as well: As of July 1, 1970, the department was to be called the Department of Mines and Northern Affairs.

To fulfill its co-ordinative mandate, the Northern Affairs Branch established 25 offices in major northern centres and an additional 38 satellite offices in smaller centres. These offices were staffed by 35 officers who had northern experience with other Ontario government departments.

In 1973, as part of the reorganization of the Ontario civil service which was recommended by the Committee on Government Productivity,⁹ the Department of Mines and Northern Affairs was merged into the new Ministry of Natural Resources, along with the old Department of Lands and Forests. Responsibility for Mines remained within the Department of Natural Resources until 1985.

While the Department of Mines retained some administrative integrity within the new Ministry of Natural Resources, Northern Affairs was demoted to Branch status within the Finance and Administration Division.¹⁰ Instead of addressing the unique needs and problems of Northern Ontario through a

horizontal coordinating unit, the new Ministry chose to decentralize all Ministry operations instead. The 1973 Annual Report describes the intent of this approach:

The basic theme of the organization is now decentralization. Through its eight regional offices and 49 district offices mining services are made available at the local level. Thus the functions connected with services to the mineral industry which were previously performed directly by personnel of the Toronto office or on instructions from this headquarters, are now handled directly within the regions to which they apply. In each region there are several district offices which make it possible to further localize operations.¹¹

The Department functioned in this form until 1977.

THE MINISTRY OF NORTHERN AFFAIRS, 1977-1985

By the mid-1970s, northern alienation had evolved, in some quarters, into outright demands for a separate Province of Northern Ontario.¹² In 1976, Ed Deibel, a trailer park operator and motel owner from North Bay, formed the Northern Ontario Heritage Party (NOHP). The NOHP's platform was to get greater recognition for the economic, environmental and social realities of the north into the existing structure of government, with secession from the province as a policy of last resort.¹³ By the 1977 general election, Deibel and NOHP supporters had gathered the 10,000 signatures necessary for official registration as a party in the province, but had little electoral success subsequently.¹⁴

The Conservative government's response to northern discontent was two-fold. In 1977, the Royal Commission on the Northern Environment was established to examine the physical and social effects for northerners of major enterprises north of the 50th parallel and to investigate the alternative uses resources.

The government's second response was to resurrect the old Department of Northern Development in the form of the Ministry of Northern Affairs in 1977. As with its predecessor, the new Ministry was primarily responsible for northern roads (34 percent of its overall budget in 1977), municipal infrastructure (23 percent), community development (18 percent) and other forms of transportation (10 percent). In addition to these responsibilities, the Ministry was once again assigned the task of coordinating the provision of Ontario government services in northern Ontario. The Ministry functioned in this manner until 1985.

THE MINISTRY OF NORTHERN DEVELOPMENT AND MINES, 1985-1995

In 1985, Northern Affairs was once again combined with provincial responsibility for mines in a new Ministry of Northern Development and Mines. As a Ministry publication noted at the time, the marriage was reconstituted in recognition of the "economic importance of mining and its particular importance to many northern municipalities."¹⁵

From 1985 to 1991, two Cabinet Ministers were assigned to the portfolio, one responsible for Mines and the other for Northern Development. Shelley Martel was appointed the sole Minister responsible for the Ministry in 1991, a practice continued with the appointment of Chris Hodgson (who is also Minister of Natural Resources) under the present Progressive Conservative government.

The major statutes administered by the Ministry at present are:

The Ministry of Northern Development and Mines Act

This Act defines the Ministry's function to co-ordinate government activities, and to initiate policies and programmes for the government in northern Ontario.

The Mining Act

This Act provides for the administration of mineral exploration and development activities in Ontario.

The Local Services Boards Act

This Act allows residents of unincorporated northern communities to establish legally-constituted boards to represent them and to raise funds for certain basic community services to improve the quality of life (i.e., sewers).

The Ontario Northland Transportation Commission Act

Through this Act, the ONTCA subsidizes air, rail and ferry services in northern Ontario.

The Ontario Mineral Exploration Program Act

Through this Act, grants are provided to encourage mineral exploration in Ontario.

The Northern Ontario Heritage Fund Act

This Act establishes a corporation to promote economic development and diversification in northern Ontario through the dispersal of funds.

Since 1985, two agencies of the Ontario Government have reported to the Ministry as well. These are:

The Northern Ontario Heritage Fund Corporation

Established in 1988, the Corporation administers a fund to provide financial assistance to communities and the business sector in the form of grants, loans, or loan guarantees as a means to foster economic strength and diversification. Expenditures for the past three years have been \$30,000,000.

The Ontario Northland Transportation Commission

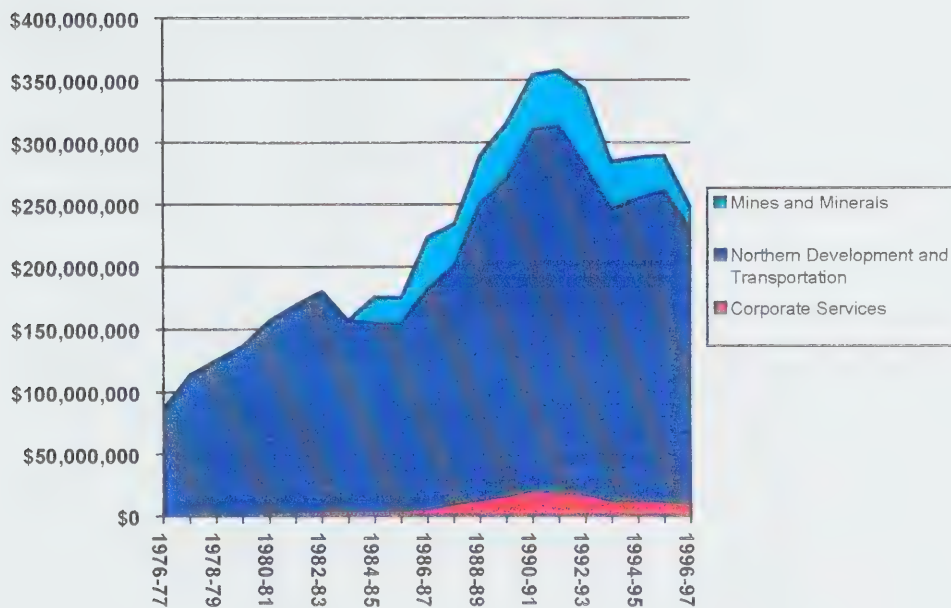
The Commission provides comprehensive transportation (including trucking, air, rail and marine operations) and telecommunication services in northern Ontario. Expenditures have decreased over the past three years, from \$21,000,000 in 1992-93 to \$15,871,000 in 1994-95.

Administratively, the Ministry is currently organized into three primary divisions:

Corporate Services (formerly Planning and Administration), which includes the Communications Services Branch, the Employee and Administrative Services Branch and the Financial Planning and Policy Coordination Branch; ***Northern Development***, which includes the Northern Industry Branch, the Northern Regional and Community Development Branch and the Northern Ontario Heritage Fund Corporation; and ***Mines and Minerals***, which includes Field Organization, the Mineral Sector Analysis Branch, the Mining and Land Management Branch, the Ontario Geological Survey and the Ontario Geoservices Centre.

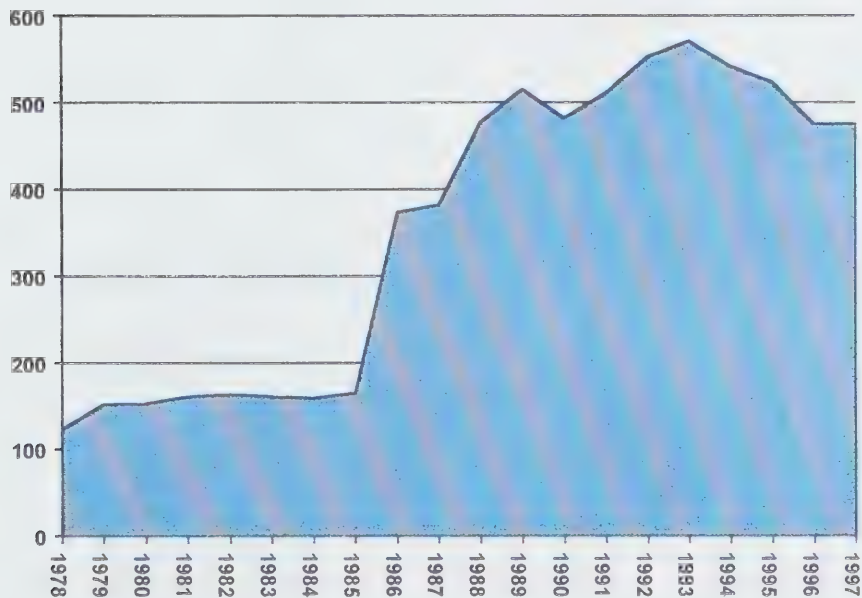
The following tables provides details of expenditures by these divisions (and their predecessors).

**Ministry of Northern Development (and Mines after 1985),
Expenditures by Programme, 1977-1997**



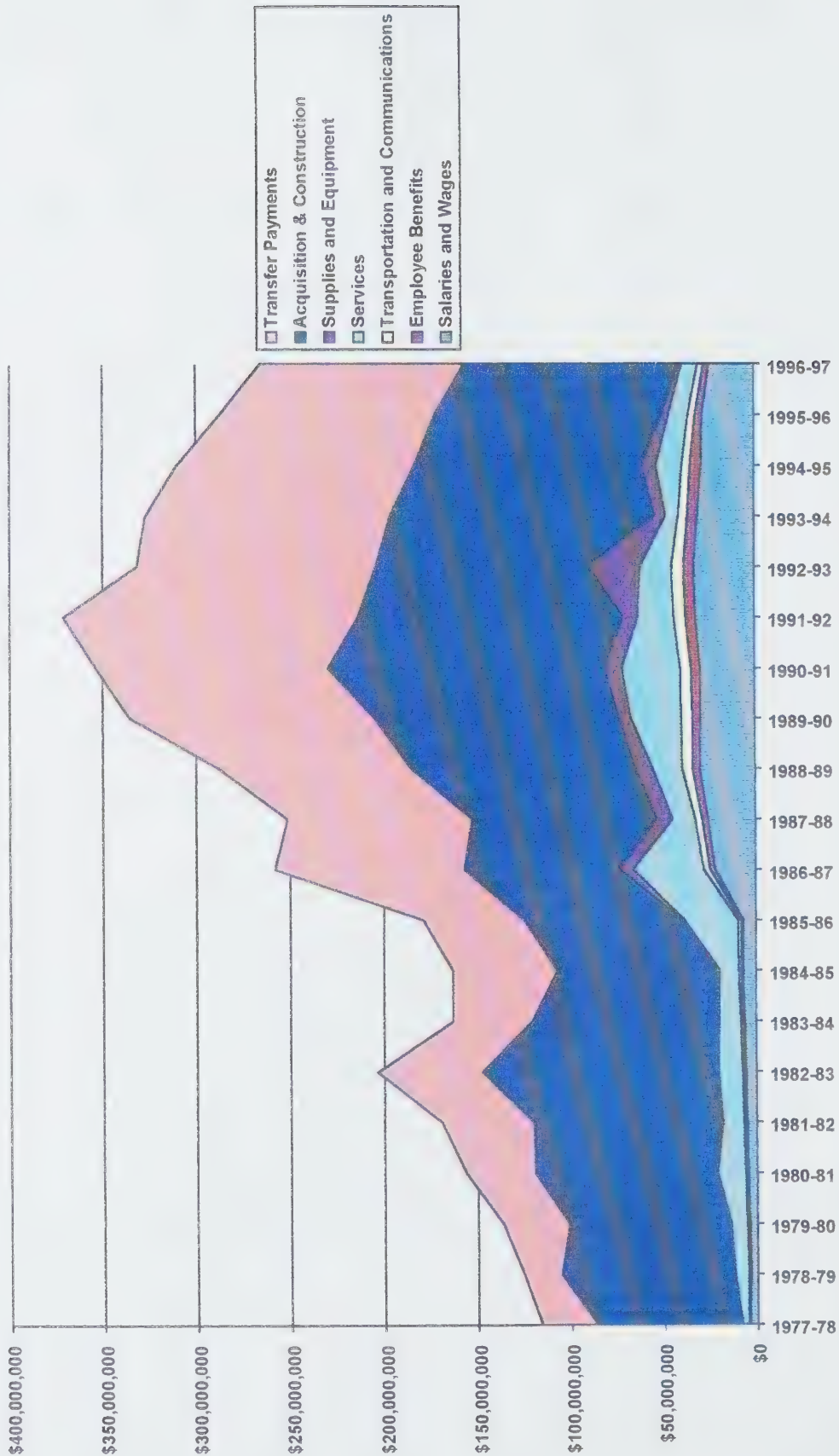
Source: *Public Accounts*, various years.

Classified Employees, 1977-1997



Source: *Public Accounts*, various years.

Ministry of Northern Development (and Mines after 1985), Expenditures by Standard Accounts Classification, 1977-1997



Source: *Public Accounts*, various years.

THE SOURCES OF GROWTH AND DECLINE

As the previous figures make clear, the first major source of expenditure growth was the merger of northern affairs with mines in 1985. Between 1985 and 1986, the number of Ministry employees almost doubled, programme expenditures increased by almost \$100 million (mostly in transfer payments), and oversight responsibilities expanded considerably, with the addition of the Ontario Northland Transportation Commission and the Northern Ontario Heritage Fund Corporation to the new Ministry.

In the early 1990s, several major programmes were launched, which in turn increased the overall size of the Ministry's budget. These programmes included the jobsOntario Community Action; jobsOntario Summer Employment; Northern Training Opportunities; Aboriginal Infrastructure; Abandoned Mines Rehabilitation; and the Environmental Youth Corps.

After the Ministry relocated its headquarters to Sudbury in 1993, expenditures began to decline as part of the government's overall austerity programme. In 1995, downsizing continued under the new Conservative government. Programmes eliminated at this time include the jobsOntario Community Action; jobsOntario Summer Employment, and Abandoned Mines Rehabilitation. In 1995, the Ministry also eliminated subsidies to AirOntario through the Northland Transportation Commission.

CONCLUSION

Provincial government administration has been a significant part of social and economic development in northern Ontario since Confederation. The prominence of northern administration within the structure of the Ontario government, however, has more often been a product of political considerations. In the early part of this century, settlement and the subsequent development of a transportation infrastructure demanded a separate northern affairs branch and Minister. In the 1970s, northern alienation and demands to have more participation in the provincial governing process caused the rebirth of a distinct northern ministry. More recently, pressure to reduce expenditures has forced the Ministry to cancel programmes and services and reduce staffing levels which may again redefine the government's relationship with northern Ontario.

NOTES

¹ J.E. Hodgetts, *From Arm's Length to Hands-on: The Formative Years of Ontario's Public Service, 1867-1940* (Toronto: University of Toronto Press, 1995), p. 115.

² Ibid.

³ See, in general, W.B. Jankowski and B. Maozzami, *Northern Ontario's Economy in Transition* (Thunder Bay: Department of Economics, Lakehead University, 1993).

⁴ See, in general, Geoffrey Weller, "Hinterland Politics: The Case of Northwestern Ontario," *Canadian Journal of Political Science* 10 (1977) and Donald Scott, "Northern Alienation," in Donald C. MacDonald (ed.), *Government and Politics of Ontario* (Toronto: University of Toronto Press, 1980).

⁵ Weller, p. 737.

⁶ Ontario, Department of Mines and Northern Affairs, *Review, 1971* (Ontario: The Ministry, 1971).

⁷ Department of Mines, *Northern Development, 1969* (Toronto: The Department, 1969).

⁸ Ibid.

⁹ For an overview of the COGP's reforms, see, Ted Glenn *The Changing Structure of the Ontario Government: Confederation to the Present*, Current Issue Paper no.172 (Toronto: Legislative Research Service, Legislative Library, 1996).

¹⁰ Ontario, Ministry of Natural Resources, *Ontario Mineral Review, 1973* (Toronto: The Ministry, 1974).

¹¹ Ibid.

¹² Gordon Brock, *The Province of Northern Ontario* (Cobalt: Highway Book Shop, 1978), p. 34.

¹³ Ibid., p. 42.

¹⁴ Mr. Deibel ran as a Conservative candidate in the 1980 federal election, a step which reduced the credibility of the party in its dealings with the provincial Conservative administration. It was less active by 1981, under the leadership of Garry Lewis, who withdrew completely from a secessionist policy and advocated better transportation, better freight rates and more secondary industry in the region. The party was re-established in 1983, with a new executive and new leader, Ronald Gilson. The party then renewed its call for a new province, rather than improvements to the existing political arrangements. However, this effort to revive the party was unsuccessful. The party was de-registered in 1985 for failure to send a financial statement for 1984 to the Commission on Election Finances. See Rudy Platiel, "Northern heritage party tries to forget past," *Globe and Mail*, 5 February 1981, p. 5; and "Separatists in Northern Ontario revive goal of an 11th province," *Globe and Mail*, 5 May 1983, p. 12.

¹⁵ Ontario, Ministry of Northern Development and Mines, *Estimates, 1985-86* (Toronto: The Ministry, 1985), p. 1.

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